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The Statecraft of Singapore's Lee Kuan Yew

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I. Introduction and Summary

Singapore's successful modernization and transformation into one of the East Asian Newly Industrialized Countries (NICs) and as part of the East Asia miracle¹ -- in spite of its small size and limited resource endowment -- owes much to the leadership and statecraft of Lee Kuan Yew. Under his regime, Singapore has sustained its rapid economic development since its separation from the Federation of Malaysia in 1965. The ejection of Singapore from the Federation led Lee to focus on two strategic goals: the survival of Singapore as an independent state while simultaneously pursuing nation building under the threats of communism and internal ethnic conflicts

Lee's statecraft comprises principally three interrelated and complementary instruments: (a) the establishment of Singapore's own national defense capability while allying with the U.S. and other Western powers to balance the security threats from the Soviet Union and China, as well as regional diplomacy; (b) the vigorous pursuit of economic prosperity through outward-looking, export-oriented and private sector led growth strategy; and (c) the modernization of Singapore through both conducive and coercive measures in education, family planning, housing, public campaigns, the creation of grassroots civic organizations and government institutions, especially the civil service, and the promotion of meritocracy, corruption free and accountable government

Under Lee's pragmatic policies and quasi-authoritarian tutelage -- the "Asian Way"² as Lee prefers to call it -- the strategic goals have been achieved. Lee's statecraft has had demonstration effects both regionally and inter-continentially such as in sub-Saharan Africa. His quasi-authoritarian approach has also attracted critiques, especially from American-style human rights ideologues. This paper analyzes and assesses Lee's

¹The phrase "East Asia Miracle" was used by the World Bank as a title of an extensive assessment and study of the East Asia experience to draw lessons for other developing countries. The other NICs are South Korea, Taiwan, Hong Kong, Mexico, and Brazil. Malaysia, Thailand, Indonesia, and China are increasingly being considered as emerging NICs.

²Fareed Zakaria, "A Conversation with Lee Kuan Yew," *Foreign Affairs*, Vol. 73, No. 2 (March/April 1994) pp. 109-126.

grand strategy and statecraft and suggests some lessons learned.

II. The Grand Strategy of Lee Kuan Yew: Ends and Means

Environment, Threats, and, National Interests. When Singapore was separated from the Federation of Malaysia in August 1965, Lee Kuan Yew was devastated. The environment at the time was influenced by the Cold War and Singapore's geopolitics. It is surrounded by less than friendly and larger nations of Muslim background, Malaysia and Indonesia. Lee drew an analogy between Singapore's geopolitical situation and that of Israel. This was heightened by the internal ethnic tension at the time. The multi-ethnic composition of Chinese, Malays, and Indians had had a history of conflicts that resulted in several riots. These riots were still fresh in the minds of Lee and many others.

In Lee's assessment, the communist threat and internally generated communal-ethnic conflicts were the twin threats to Singapore's survival.³ He viewed them as closely related. He was convinced that Singapore was vulnerable to communist infiltration and insurgency. Consequently, Lee saw Singapore's national interests as twofold: national security for its physical survival and the building of a nation with strong social order, stability, and economic prosperity.

Strategic Elements: Security, Stability, and Prosperity Lee's Grand Strategy was both threat-based and interest-based. The major means to achieve national survival and nation building in Lee's Grand Strategy were:

- (a) establish a national defense capability and domestic security forces internally, while developing an alliance with the U.S. and Western powers (and to a lesser degree Japan) to balance the communist Soviets and Chinese. At the same time, posture neutrality with respect to conflicts among the major powers and promote a multilateral regional alliance of South East Asian nations (through ASEAN -- the Association of Southeast Asian Nations) for collective security and

³C M Turnbull, A History of Singapore 1819-1988 Chapter 9 (Singapore: Oxford University Press, 1989)

as a unified regional diplomatic means in dealing with states outside of ASEAN,
 (b) promote economic prosperity through outward-looking and export-led industrialization with market-friendly policies and active government intervention; and
 (c) modernize Singapore's society through conducive and coercive measures to bring about social order, national identity and stability

Security. At the time of British occupation and during the period in which Singapore was part of the Federation of Malaysia, Singapore relied on the British and the Federation for national defense against outside aggression and internal subversion. With its independence, developing a national defense capacity became imperative. Lee also adopted a strong pro-U.S. and Western stance against communist ideology and expansion. This served as a means to balance the Soviet Union and China in the region and to supplement Singapore's minimal military strength. Lee's strong support of the U.S. presence in Asia has remained unchanged even in the Post-Cold War period and during tensions over trade and human rights related issues in early 1990. Lee offered Singapore as a site for U.S. military bases when departure from the Philippines was discussed.

While maintaining strong support for the U.S. and other Western allies including Japan, Lee tended to pursue neutrality when there were conflicts among major powers that did not directly affect Singapore's national interests. Within the region, Singapore's relations with its next-door neighbor, Malaysia, had been tenuous even prior to the separation. Not long after Singapore left the Federation, Malaysia was livid and threatened to retaliate when Lee resumed trading relations with Indonesia, which was then in dispute with Malaysia. Singapore's foreign and finance ministers (Rajaratnam and Goh) had often been seen as blunt and notoriously unapologetic in dealings with foreign governments. Lee himself had a tendency to lecture other governments and was perceived by many of his colleagues in the international community as arrogant.⁴ This had thwarted

⁴ C. M. Turnbull, *Ibid.*, pp. 298-299. James Minchin, *No Man is an Island* p. 245 (London: Allen & Unwin, 1990).

the use of diplomacy as an effective foreign policy tool. As confidence that Singapore could survive as an independent state increased, and as her economic and commercial influences rose, her regional relations improved. The most important factor for its effective foreign policy was the establishment of ASEAN, of which Lee was one of the founders. Singapore benefited from ASEAN because it is the main instrument for collective regional trade, security, and foreign policy.

Prosperity and Social Cohesion. Economic development is perhaps the most important element in Lee's statecraft. It is the foundation underpinning other nation-building activities. Given that Singaporeans are characteristically immigrant Chinese, they have to acquire a sense of belonging and identity to commit themselves to be a part of the nation. This implies that they must have a stake in the country. Prosperity and improved living standards, in Lee's view, must be the most effective enticement to accomplish this. Lee and his inner circle colleagues, especially Goh Keng Swee, the "ideas man", strongly believed in a private enterprise, market-driven system with strong government intervention -- in short capitalism with the visible guiding hand of the government.⁵ Four policy instruments were emphasized under Lee's strategy.

First and foremost, was the need to accelerate economic growth. Lee recognized Singapore's economic constraints as a small country with very limited resource endowments -- people and location. Consequently, an outward-looking, export-oriented, and industrialization strategy that exploited the country's comparative advantage was considered the main strategic instruments in the economic plan. The government implemented sound financial and macroeconomic policies to create a stable economic environment (complementing the stable political environment being pursued). It adopted market-friendly policies buttressed with financial and tax incentives to attract investment, foreign capital and technology. As a result, private enterprises mushroomed, exports boomed, and the economy took off. The government coffers began to accumulate

⁵ Ibid., p p 242-246

revenues and foreign exchange reserves as a result of strong fiscal and balance-of-payments positions. This made it possible in turn to launch and expand national defense, education, housing, and family planning.

Second, the government implemented a massive education program. Lee saw education as serving dual purposes: a long-term investment in people for economic growth and as a means to inculcate values, loyalty, and commitment to the nation. Lee's government allocated substantial amounts of the budget to improve educational facilities, provide free primary education, and introduce technical education and vocational training in secondary education. He also promoted bilingualism in schools as a means to integrate the Chinese, Malays, and Indians and to create intercommunal harmony.

Third, the government provided social services as a way to distribute the benefits from economic development, notably through government-subsidized housing programs, family planning services, and periodic public campaigns, such as the anti-spitting and keep-Singapore-clean-and-pollution-free campaigns. The government viewed as important controlling population growth, so that population size keeps pace with the capacity of the economy to generate work, and supporting public services, especially education, health, housing, and transportation. Government-subsidized housing has made it possible for many Singaporeans to own homes; home ownership served the nation building goal as it provided the citizenry a stake in the country

Finally, Lee's statecraft included institutional building beyond political parties and the legislature in order to preserve social order and create a stable environment that would sustain the fruits from economic progress. His focus was on developing a strong and effective bureaucracy, a system of meritocracy, and a network of grassroots civic organizations. These institutions as a whole support good governance -- accountable government free of corruption and political patronage. The bureaucracy is staffed and led by technocrats relatively shielded from political interference. Lee himself took charge of running the Corrupt Practice Investigation Bureau as a government watch dog. The

Public Service Commission practices meritocracy. Civil service pay scales are regularly revised and the government adopted personnel recruitment and promotion procedures used by transnational corporations.

As a leader in eliminating corruption, Lee had no hesitation in adopting strong coercive measures, such as capital punishment and caning, to fight crimes. He spoke out on certain court decisions with which he disagreed.⁶ This arguably stemmed from the security threat posed by internal insurgency and communist sympathizers, but also from his desire to maintain order and stability to sustain investment and economic prosperity.

III. Lessons from Lee's Grand Strategy and Statecraft

Lee's Grand Strategy has succeeded as measured by the results. By the time that he left his premiership in 1991, Singapore had achieved its goal of survival. The economic progress was perhaps beyond most expectations. Economic growth has been sustained at an annual average of about 7 percent over the past three decades. Singapore's per capita income -- a proximate measure of living standards -- is the highest in Asia after Japan's; it ranks 11th highest in the world.⁷ Singaporeans do have a stake in Singapore as a nation.

Lee's strategy and statecraft showed a strong sense of strategic priorities. Goals and means were compatible and often reinforced each other. Beyond having a plan, Lee developed institutions and means to execute the plan, and he laid the foundation for sustaining Singapore's effective statecraft in the future. This is most obvious in his relentless follow-through when instituting meritocracy in the civil service as part of developing a corruption-free and accountable government. This had a significant impact in lending credibility to his statecraft.

Together with a sound policy framework and a stable environment, his economic policies have yielded notable results in attracting and sustaining inflows of private foreign

⁶*Ibid.* pp 253-254

⁷The World Bank, *World Development Report 1996* Table 1, Basic Indicators, pp 188-189 (Washington, D C The World Bank, 1996). Singapore's per capita income in 1994 dollars was S22,500

capital and technology over the years. Singapore is apart from many other Third World countries in avoiding the aid dependency syndrome. It has often been mentioned as a country that has developed without foreign aid, instead it relies on private capital. It has often been used as a successful case of the capitalist private enterprise system. The model has been compared and contrasted with other failed approaches, such as the African Socialist approach or the former Soviet Union and Eastern European Command system.

The Singaporean model is, however, not without detractors. Critics point out that Lee's quasi-authoritarian approach has cost freedom of expression, other civil liberties, and democratic values. Nonetheless, as the 20th Century comes to an end, East Asia, including China, becomes increasingly a power center to be reckoned with. Lee has been the most articulate spokesman in defending his "Asian Way" and in challenging the American-style democracy and human rights. His influence reaches beyond Singapore's national boundaries and his views are shared by many in the Third World. He saw the Americans imposing their values with little respect to tradition and culture. In response to a question on human rights issues in the context of the Chinese situation, Lee said.

"The values that East Asian culture upholds, such as the primacy of group interests over individual interests, support the total group effort necessary to develop rapidly....Values are formed out of the history and experience of a people. it is not a matter of principle but of practice....I truly believe the process is Darwinian. If adopting Western values diminishes the prospects for the survival of a society, they will be rejected. For example, if too much individualism does not help survival in a densely populated country like China, it just won't take....In fact, today there are factions in Chinese society. not just the Communist leadership, that believe the Americans are the most evangelistic. "8

Lee's perspective was echoed by one of the American great strategists and diplomats, George F Kennan. On the human rights issue, Kennan wrote:

"And thus extravagantly do we, like a stern schoolmaster clothed in the mantle of perfect virtue, sit in judgment over all other governments, looking sharply down the nose of each of them to see whether its handling of its domestic affairs meets

⁸ Nathan P Gardels (ed). At Century's End Great Minds Reflect on Our Times pp 247-253 (California ALTI Publishing, 1995)

with our approval.. the manner in which regimes customarily treat their subjects, worldwide is largely a matter of tradition, habit, and popular concepts of what is right and what is wrong. All these are subject to change, to be sure, over long periods of time, but seldom, if the results are to be lasting, can the change be abrupt "⁹

Rethinking the U.S. Approach. Lee's Asian Way approach in the post-Cold War era is a challenge to the American statecraft in the U.S.-Third World relationships. Many Third-World statesmen and leaders believe as does Lee in the evolutionary and gradual nature of social change that American crusaders of democracy and universal human rights standard may find difficult to accept. As the nature of wars and international conflicts has changed, the world becomes more interdependent and arguably safer in terms of national survival, the U.S. as the sole superpower paradoxically finds itself having less influence in exporting its perceived superior democratic values to the rest of the free-world and former allies like Singapore, other East Asian and many Third World countries.

It remains to be seen how this paradoxical position that the U.S. is facing will shape American statecraft in dealing with these issues in the future. To what extent is it in the U.S. national interest to intervene in other friendly countries' domestic affairs in order to project, or as often in practice to impose, American human rights standards and democratic values? Are there trade-offs between the pursuit of human rights and other interests? Should American statecraft rely mostly on coercive and punitive instruments as often is the case when these issues are involved? Or should a more collaborative, diplomatic and gradual approach be the preferred strategic choice? Singapore and East Asia provide good case studies for considering these questions.

⁹ George F. Kennan Around the Cragged Hill: A Personal and Political Philosophy p. 206 (New York: W. W. Norton & Company, 1993)